



# University of North Carolina Tuition Surcharge Policy

Legislative Report

December 21, 2012

**Introduction**

As mandated by G.S. 116-143.7, the University of North Carolina charges a 50% tuition surcharge to undergraduate students who take more than 4 years and 140 degree credit hours to earn a bachelor's degree or more than 5 years and 110% of the necessary credit hours for officially designated Five-Year Programs.

S.L. 2012-142, Modify 2011 Appropriations Act, Sec. 9.8, directed the Fiscal Research Division (FRD) to study the tuition surcharge policy's effect on student credit hours and the time to graduation; it also directed that the study examine revenue generated by the surcharge, how often the surcharge is applied, and how students are informed about the tuition surcharge policy.

**Legislative Mandate and Process For This Report**

S.L. 2012-142, Modify 2011 Appropriations Act, Sec. 9.8, directed FRD to study the tuition surcharge policy as follows:

The Fiscal Research Division, in cooperation with The University of North Carolina, shall study the tuition surcharge mandated by G.S. 116-143.7. As part of the study, the Fiscal Research Division shall examine the surcharge's effect, if any, on the number of credit hours taken by students at constituent institutions of The University of North Carolina and the resulting effect on the timely achievement of graduation; the number of students subject to the surcharge in each of the last five academic years; and the revenue generated by the surcharge. In its study, the Fiscal Research Division shall also examine the methods that The University of North Carolina employs to provide notice to a student that the student is approaching the credit hour limit and will be charged the tuition surcharge if the student exceeds that limit. The Fiscal Research Division shall report its findings and recommendations, including any legislative recommendations, by January 1, 2013, to the Joint Legislative Education Oversight Committee and to the Education Appropriation Subcommittees of the House of Representatives and the Senate.

As required by Sec. 9.8, the Fiscal Research Division completed this study in cooperation with UNC-General Administration (UNC-GA) and the System's constituent institutions<sup>1</sup>. UNC-GA provided data on the total credit hours taken by students, the time to graduation, and the revenue generated by the surcharge. Each campus provided its own data regarding surcharge revenue generated and the number of students who have been assessed a surcharge in recent years; also, each campus summarized its communication methods to educate and inform students about the tuition surcharge, using a survey form designed and provided by FRD.

<sup>1</sup> The System's sixteen constituent university institutions are: Appalachian State University (ASU); Elizabeth City State University (ECSU); East Carolina University (ECU); Fayetteville State University (FSU); North Carolina Agricultural & Technical State University (NCA&T); North Carolina Central University (NCCU); North Carolina State University (NCSU); UNC Asheville (UNCA); UNC-Chapel Hill (UNCCH); UNC Charlotte (UNCC); UNC Greensboro (UNCG); UNC Pembroke (UNCP); UNC School of the Arts (UNCSA); UNC Wilmington (UNCW); Western Carolina University (WCU); and Winston-Salem State University (WSSU).